

Client Alert **Employment and Labor**

New Jersey Employers Take Note: Expanded Family Leave Rights and Mandatory Online Separation Reporting

New Jersey's trend towards expanding leave rights and protections for employees continues and creates an even more complex landscape for employers to navigate. Effective July 17, 2026, significant amendments will broaden employee eligibility under the New Jersey Family Leave Act ("NJ FLA") and provide new reinstatement rights tied to Temporary Disability Insurance ("TDI") and Family Leave Insurance ("FLI") benefits under New Jersey's TDI/FLI anti-retaliation law. Separately, the New Jersey Department of Labor and Workforce Development ("NJ DOL") now requires employers to report separations electronically through its online Employer Response portal, which is a new administrative requirement. The key changes and impact on employers are summarized below.

Major Expansion to Family Leave

On January 17, 2026, shortly before leaving office, Governor Murphy signed A.B. 3451/S2950, enacted into law as P.L. 2025, c. 279, which substantially expands NJ FLA coverage and eligibility and adds job protection and reinstatement rights for employees who receive TDI or FLI benefits.

Expands Coverage: Under the NJ FLA, eligible employees may take up to 12 weeks of job-protected family leave during a 24-month period for qualifying reasons, including to care for a covered family member or to bond with a child. The NJ FLA currently applies to employers with 30 or more employees. Effective July 17, 2026, the amendment will lower the coverage threshold to 15 or more employees, bringing many smaller employers within the statute's coverage for the first time.

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Broadens Eligibility: Under the current law, an employee must have been employed by the employer for at least 12 months and must have worked at least 1,000 base hours during the preceding 12-month period. Effective July 17, 2026, the thresholds will be lowered to a minimum of three months of employment and at least 250 base hours in the immediately preceding 12 months. The leave entitlement itself remains unchanged as eligible employees may still take up to 12 weeks of NJ FLA leave in a 24-month period. As a result, significantly more employees, including many part-time, seasonal, and recently hired workers, may become eligible for NJ FLA leave and its protections beginning July 17, 2026.

New TDI/FLI Reinstatement Rights

Background and Scope of the New Reinstatement Rights: Historically, TDI and FLI provided wage-replacement benefits but did not, by themselves, create a separate right to job-protected leave or reinstatement where no other job-protected leave law applied. Effective July 17, 2026, the amendments to New Jersey's TDI/FLI anti-retaliation law will require employers to restore employees who are absent from work and take TDI (for their own disability) or FLI (for care of a family member) benefits to the same position held when the absence began, or to an equivalent position with equivalent seniority, status, employment benefits, pay, and other terms and conditions of employment. This new reinstatement protection is tied to the employee's receipt of TDI or FLI benefits. The amendment also provides that employees retain rights under any applicable layoff-and-recall system, including rights established by a collective bargaining agreement, as if the absence had not occurred.

While the amendments appear to strengthen the provisions in New Jersey's TDI/FLI anti-retaliation law, the amendments may conflict with NJ FLA's existing framework, given that the NJ FLA does not cover leaves for an employee's own health condition. Further, the amendment includes language expressly providing that nothing in New Jersey's TDI/FLI anti-retaliation law or in the family temporary disability leave benefits law shall be construed as increasing, reducing, or otherwise modifying any entitlement provided to a worker under the NJ FLA. However, the amendments on their face seem to expand not only eligibility under the NJ FLA, but expands entitlement to job-protected leave under TDI. Given this interplay, employers should carefully evaluate each situation on a case-by-case basis. Further clarification from the NJ DOL or the courts will be needed regarding the provision's practical scope, including how the new reinstatement obligation applies to TDI absences for an employee's own medical condition and how it coordinates with the NJ FLA, the federal Family and Medical Leave Act, and employer leave policies.

Coordination with Earned Sick Leave: An employee who is eligible for both earned sick leave under the New Jersey Earned Sick Leave Law and TDI or FLI benefits, may decide which benefit to use first. Employers may not dictate the order in which those benefits are used. However, an employee may not receive more than one type of paid leave benefit for the same period.

Unemployment Separation Reporting Requirements

Notably back in 2023, New Jersey mandated that employers provide notice to the NJ DOL when an employee is separated. However, for several years the process was on pause while New Jersey created a system for such reporting. New Jersey employers now must report all employee separations, including layoffs, terminations, resignations, and retirements, electronically through the NJ DOL's Employer Response Portal and within seven days of separation. Employers should not wait for the employee to file a claim before reporting the separation. The NJ DOL uses the information to accelerate unemployment benefit determinations and reduce delays, so employers should ensure that personnel responsible for unemployment matters understand the reporting deadline and have portal access. The portal generally requests information about the employee and separation.

Employers that have not yet registered should create an account through the NJ DOL's [Employer Access](#) portal on the NJ DOL website. Once registered, employers should log in to the [Employer Response Portal](#) to submit separation information electronically. Employers must continue providing Form BC-10s to separated employees, but they are not required to send a copy of the form to the NJ DOL.

Employers who fail to comply may be subject to penalties.

Takeaways

The amendments reflect New Jersey's continuing trend toward expanding employee leave rights and job protections. Given these updates, employers should assess whether the lower coverage threshold applies, identify employees who may become newly eligible, and update leave policies, handbooks, and forms as soon as possible, and note the July 17, 2026 effective date. The updates highlight the need for employers to review each situation on a case-by-case basis to determine what leave and benefit entitlements apply, as well as potential interactions with other laws such as the federal Family and Medical Leave Act. Employers with remote employees working in New Jersey should include those employees in their headcount for purposes of the coverage threshold and should separately assess whether such employees are eligible for NJ FLA leave, TDI, and FLI benefits.

Employers that have not registered for, or familiarized themselves with, the NJ DOL Employer Access and Employer Response portals should do so promptly to avoid missed reporting deadlines and potential penalties.

The Sills Cummis Employment and Labor Practice Group is available to assist. If you have questions about how these changes affect your business, or would like assistance with updating leave policies, handbooks, forms, or separation reporting procedures, please contact one of our employment attorneys.

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